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C O N F I D E N T I A L ABU DHABI 03205

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ACTION: ECON  
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C O N F I D E N T I A L ABU DHABI 003205

SIPDIS

STATE FOR EB A/S WAYNE AND DAS DONNELLY  
STATE FOR NEA, NEA/ARP, NEA/PI  
STATE PASS USTR FOR CATHY NOVELLI  
USDOC FOR BIS/NWEANT

E.O. 12958: DECL 9/15/14  
TAGS: [KBCT](#) [KMPI](#) [ECON](#) [ETRD](#) [TC](#)  
SUBJECT: ARAB LEAGUE BOYCOTT: THE UAE WILL NOT BOYCOTT  
U.S. COMPANIES

CLASSIFIED BY AMBASSADOR MICHELE SISON FOR REASONS 1.5 (B  
AND D)

REF: ABU DHABI 3054

11. (U) This is an action request. Please see paragraph 6.

12. (SBU) Summary: MFA U/S Abdulla Rashid Al-Noaimi (defacto number 2) told the Ambassador on September 15 that the UAE had renounced implementation of the Secondary and Tertiary aspects of the Arab League Boycott and would not boycott any U.S. company, "no matter what Damascus decides." He emphasized that it would not make sense at all for the UAE to boycott U.S. companies when the UAE was clearly interested in moving toward a FTA with the U.S. Al-Noaimi promised to try and resolve the specific case of Netafim (reftel) before the October 4 TIFA council meeting and asked for more information to work on resolving the more systemic problem of prohibited boycott requests. He was perturbed by the data provided by the Ambassador that showed an increase over the past year in prohibited requests. End Summary.

13. (SBU) Ambassador and EconChief called on MFA U/S Al-Noaimi on September 15 to voice strong concern about increases in prohibited boycott requests in the UAE over the last two years. Ambassador explained that the number of prohibited requests has increased to 71 in the first 6 months of this year from 60 in the first six months of last year. She provided Al-Noaimi with data and specific examples of prohibited language, noting that the information had already been shared with senior UAEG officials at the Ministry of Economy and Commerce and the

Ministry of Finance and Industry. She stressed that the USG's position on the boycott was a matter of law and that, if not resolved, this problem would have a negative impact on the UAE's efforts to move to FTA negotiations. AUSTR Cathy Novelli had already spelled out these concerns to UAE Ambassador Al Asri Al Dhari on July 16 in Washington, she added.

¶4. (SBU) Al-Noaimi replied that the UAE had no interest in boycotting U.S. companies. He added that it made "no sense" to boycott a U.S. company when the UAE was interested in negotiating a FTA with the U.S. He then asked for as much additional information as we could provide on the specifics of prohibited boycott requests by Saturday, September 17, so that he could go to Ministry of Economy/Commerce counterparts to work through the systemic problems of obsolete forms and entrenched bureaucrats. He agreed that this needed to be fixed.

¶5. (C) Ambassador then raised the specific case of Netafim USA and explained that the UAE anti boycott office had informed this American company that it considered it an Israeli company and subject to the boycott. Al-Noaimi said, "I don't care if it is 'an Israeli company.' If it is incorporated in the U.S., it is an American company." He emphasized that, whatever decision the Arab League Boycott Office in Damascus took on listing a company, if it was an American company, "it was a UAE decision, not a Damascus decision, and the UAE wants American companies here." Al-Noaimi said "let's resolve this before the TIFA Council meeting in October." He noted that the Ministry of Economy and Commerce had a number of third country nationals and bureaucrats who "didn't always have the best interest of the country at heart" or necessarily understand UAEG policy imperatives. The 1994 UAEG renunciation of the secondary and tertiary aspects of the boycott was UAEG policy, he emphasized.

¶6. (SBU) Comment and Action Request: Ambassador stressed the importance of this issue and its negative effect on any potential FTA negotiations. Al-Noaimi focused quickly on the urgency of solving the practical problems facing U.S. companies in the UAE. The Ambassador intends to raise the boycott issue with Deputy Prime Minister/Minister of State for Foreign Affairs Sheikh Hamdan bin Zayed on Tuesday, September 26. We will also be following up with the Ministries of Foreign Affairs and Finance to monitor progress on the prohibited requests issue. We request that the Department of Commerce anti-boycott office provide us with further details and information that we can pass to the MFA by Friday September 17 on prohibited boycott requests. End Comment and Action Request.

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